

MORTGAGES AND CHARGES

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The difficulty about building society mortgages is that there is now power to use either the form under the Building Societies Act, 1874, or the form under the Law of Property Act, 1925. Which should now be used? Many societies still use the 1874 form as it is the form set out in their rules. It would be better, however, to use the new form for various reasons, the most important being that it is more informative, giving the name of the person making the payment, and showing that certain legal consequences follow. Thus, when the receipt shows that the money has been paid by a person other than the borrower, then, unless it is otherwise mentioned in the receipt, the receipt is to operate as if the mortgage had been transferred to such person. A mortgage may be transferred from one mortgagee to another by a simple form of transfer which the solicitor's clerk will find in any of the usual books of precedents.

On payment off of a second mortgage the Land Charges Register should be vacated.